

Medicaid Fraud Control Unit

State of Missouri



Annual Report

January 1, 2009

To

December 31, 2009

Pursuant to Section 191.909, RSMo

Attorney General's Office
Medicaid Fraud Control Unit
P.O. Box 899
Jefferson City, Missouri 65102

Telephone: (573) 751-7192
Facsimile: (573) 751-0207

Table of Contents

Section 1

Overview of Missouri State Medicaid Program.....	3
--------------------------------------------------	---

Section 2

Recoveries and Overpayments	3,4
-----------------------------------	-----

Section 3

Damages and Restitution Ordered in Calendar Year 2009 and Still Owed	5
----------------------------------------------------------------------------	---

Section 4

Cooperation with other Agencies	5
---------------------------------------	---

Section 5

Investigations and Referrals	5-7
------------------------------------	-----

Section 6

Age of Abuse and Fraud Investigations When Closed	8
---------------------------------------------------------	---

Attachments

Memorandum of Understanding (MOU)	
-----------------------------------	--

Overview of Missouri State Medicaid Program

The single state agency for Medicaid in Missouri is the Missouri Department of Social Services (DSS). The Missouri Medicaid Fraud Control Unit (MFCU), housed in the Missouri Attorney General's Office, entered into a Memorandum of Understanding (MOU) with DSS when the Medicaid Fraud Control Unit was first created in 1994. A new MOU between DSS and the MFCU was entered into on October 10, 2003.¹ In January 2009, the MFCU submitted a proposed MOU to DSS to replace the existing MOU.

The MFCU receives case referrals from both the Program Integrity Unit and Investigations Unit in DSS. Staff of the MFCU conducts regular meetings with both DSS units to discuss recent referrals and ongoing investigations. The MFCU also receives case referrals from other state and federal agencies and initiates its own investigations.

Additionally, the MFCU receives patient abuse and neglect referrals from the Department of Health and Senior Services (DHSS). DHSS operates a 24-hour hotline for patient abuse and neglect complaints and also conducts disqualification hearings for employees of health care facilities who are accused of abuse and neglect. The MFCU investigates those abuse and neglect complaints which appear to violate criminal statutes. A new system was established several years ago to insure that the MFCU receives field complaints of abuse and neglect simultaneously with DHSS.

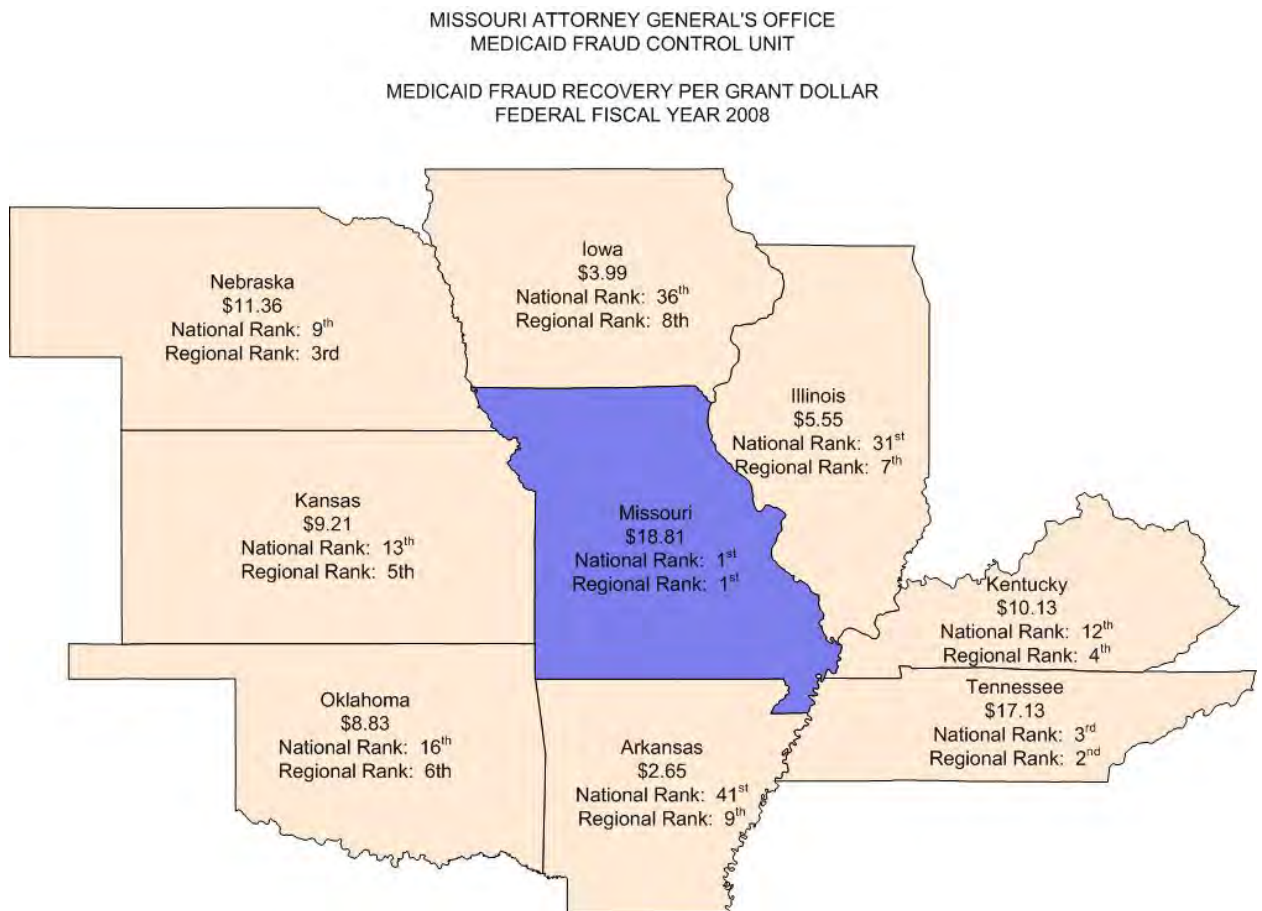
Recoveries and Overpayments

In Calendar Year 2009, the MFCU obtained orders in the amount of \$81,659,904.74. Included in this amount is \$1,806,540.00, which was ordered in a Summary Judgment currently under appeal. During Calendar Year 2009, the MFCU collected \$79,828,922.92 on cases disposed in 2009 and collected \$22,881.80 on cases disposed prior to 2009 for a total collection of \$79,851,804.72. The identifiable State's share of overpayments for Calendar Year 2009 was \$9,330,133.03. All damages, including interest, are included in the recovered amount.

¹ The MOU is attached to this report.

The MFCU regularly participates in multi-state cases involving Medicaid fraud that may take a number of years to finalize. The resolution dates of these cases (whether resolved in one Calendar year versus another Calendar year) may have a significant impact on the year to year recoveries.

Based on the most recent national data from the Department of Health and Human Services, Office of Inspector General (HHS-OIG), the MFCU obtained \$18.81 for every grant dollar received – this ranked Missouri first in the region and nationally. The below map illustrates Missouri's recovery per grant dollar as compared to our surrounding states:



Damages and Restitution Ordered in Calendar Year 2009 and Still Owed

In general, when the MFCU obtains a recovery for the Medicaid program, the payment is made at the time of the judgment or settlement. There are rare instances where the payment is paid to other entities. Of the \$81,659,904.74 amount ordered in Calendar Year 2009, \$24,441.82 was ordered to be paid to other entities. In some cases, the provider may be ordered to make installment payments to reimburse the Medicaid program. There were no installment amounts owed from orders entered in Calendar Year 2009.

Cooperation with other Agencies

We continue to work closely with the HHS-OIG, with the Federal Bureau of Investigation, Department of Defense Criminal Investigative Service, Internal Revenue Service, Social Security Administration, U.S. Postal Inspectors, as well as local law enforcement and administrative agencies. The Director of the MFCU is a past President of the National Association of Medicaid Fraud Control Units (NAMFCU) and currently serves on the Association's Executive Committee, Finance Committee, and Global Case Committee. He has been a member of and continues to serve on NAMFCU litigation teams successfully negotiating multi-state settlements.

Investigations and Referrals

The MFCU receives referrals from a number of sources and in a number of ways. The MFCU maintains a referral number and an on-line complaint process for the public to report possible fraud or abuse. The MFCU also receives referrals from the DSS and other state and federal agencies.

Below is a summary of the investigations conducted during Calendar Year 2009 listed by provider type. This table shows the number of investigations received during 2009 and the number closed during 2009. Because investigations may take more than 12 months to be resolved, the number of closed investigations includes investigations received before January 1, 2009.

As mentioned previously, the MFCU works on a number of multi-state investigations related to Medicaid fraud. The MFCU is currently involved in 73 of these cases during Calendar Year 2009, most of which are still active.

While most investigations are handled civilly, there were 4 criminal investigations initiated in Calendar Year 2009 and 2 criminal investigations finally resolved. There were 2 arrests made in the criminal investigations handled by the MFCU.

Provider Type		Initiated	Closed	Pending
CH	Chiropractor	0	0	0
CL	Clinic	2	0	6
DE	Dentist	3	2	13
DM	Durable Medical Equipment	1	3	1
DO	Osteopathic Physician	1	1	4
HH	Home Health	2	3	7
HO	Hospital	1	4	3
LA	Laboratory	1	1	0
MD	Physician	2	2	5
NH	Nursing Home	1	0	1
OD	Optometrist/Optician	0	0	0
OF	Other Facility	9	3	12
OI	Other Institutions	0	0	0
OM	Other Medical Support	0	1	0

Provider Type		Initiated	Closed	Pending
OP	Other Practitioner	1	1	2
OT	Other	7	5	7
PA	Patient Abuse	40	52	20
PD	Psychologist	2	6	14
PF	Patient Funds	5	3	12
PH	Pharmacy	13	9	19
PM	Psychiatrist	0	0	3
PO	Podiatrist	1	0	1
PP	Prepaid Health	0	0	0
SA	Substance Abuse	0	0	0
TR	Transportation	0	0	1
XI	X-Ray Imaging	0	0	0
	Total	92	96	131

During Calendar Year 2009, the MFCU received 400 referrals including hotline complaints. DSS provided 7 of those referrals. The remainder came from other state or federal agencies and private citizens. Each referral was investigated to determine jurisdiction, credibility, and substance. Of those referrals, 92 were opened into cases.

Age of Abuse and Fraud Investigations When Closed

The MFCU investigates both abuse and fraud investigations. Below is a table summarizing the age of those investigations that the MFCU closed during Calendar Year 2009.

	0 - 6 Months	6- 12 Months	12 - 24 Months	24 - 36 Months	More than 36 Months	Total
Fraud Investigations	13	5	11	10	5	44
Abuse Investigations	25	23	2	0	2	52
Total	38	28	13	10	7	96